

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Rising Sun Bancorp

Point of Contact:	Teresa Greider	RSSD: (For Bank Holding Companies)	368429
UST Sequence Number:	313	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	5,983,000	FDIC Certificate Number: (For Depository Institutions)	4862
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	January 09, 2009	City:	Rising Sun
Date Repaid ¹ :	N/A	State:	Maryland

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

☐ Increase lending or reduce lending less than otherwise would have occurred.

☐ To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Rising Sun Bancorp

☐ Increase securities purchased (ABS, MBS, etc.).

☐ Make other investments.

☒ Increase reserves for non-performing assets.

For the second year in a row the bank has make provision to the Allowance for Loan and Lease Losses in excess of \$5,000,000.

☒ Reduce borrowings.

In 2010 the bank was able to pay off the remaining term loans outstanding in the amount of \$9,000,000.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Rising Sun Bancorp

☒ **Increase charge-offs.**

In 2010 the bank had over \$4,000,000 in actual loans charged off.

☐ **Purchase another financial institution or purchase assets from another financial institution.**

☐ **Held as non-leveraged increase to total capital.**

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Rising Sun Bancorp

What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

In 2010 the bank was able to provision for loan losses for the second year in a row in excess of \$5,000,000. The bank was able to pay off the remaining outstanding term loans with the FHLB in the amount of \$9,000,000. The bank took actual charge-offs in 2010 for more than \$4,000,000. With the capital infusion of CPP funds we have been able to remain adequately capitalized.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

Rising Sun Bancorp

What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

Without the infusion of CPP funds the bank would have fallen less than adequately capitalized had these same events occurred.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

Rising Sun Bancorp

Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

None